

Message Text

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ACTION ABF-01

INFO OCT-01 EA-09 ISO-00 FSE-00 OPR-02 PER-03 USIA-15
FRB-01 TRSE-00 /032 W
-----030757Z 050036 /17
R 030640Z JUN 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 8310

UNCLAS TOKYO 8188

PASS FEDERAL RESERVE AND TREASURY

E.O. 11652: N/A
TAGS: EFIN, JA
SUBJECT: CHANGES IN JAPANESE INTEREST RATES

1. SUMMARY: THIS CABLE RECAPS CHANGES IN IMPORTANT INTEREST
RATES IN JAPAN SINCE JANUARY 1, 1977. GIVEN THE FAIRLY
SIGNIFICANT CHANGES IN RATES ASSOCIATED WITH THE MARCH AND
APRIL DISCOUNT RATE CUTS, EMBASSY BELIEVES INTERESTED
WASHINGTON AGENCIES MAY FIND SUCH A RECAPITULATION USEFUL.
END SUMMARY.

NEW RATE	OLD RATE	REDUCTION	EFFECTIVE DATE
(NEW MAY)	(1/1/77)	(JAN-MAY)	LATEST CH

ANGE

(1) SHORT-TERM LENDING RATES:

BOJ OFFICIAL DISCOUNT RATE	5.0	6.5	1.5	4/19
COMMERCIAL BANK PRIME LEND- ING RATE	5.25	6.75	1.5	4/22
CALL MONEY RATE (UNCONDITIONAL)	5.25	7.00	1.75	5/24

(2) LONG-TERM LENDING RATES:

A. TRUST FUND BUREAU LOANS	6.75	7.5	0.75	6/1
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(7 YRS OR MORE)
(SEE NOTE AT END)

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B. GOVT-AFFILIATED FINANCIAL INSTITUTIOS (STANDARD LENDING RATE
EXCEPT FOR JAPAN EX-IM BANK):

JAPAN DEVELOPMENT BANK	8.4	9.2	0.8	4/28
PEOPLE'S FINANCE CORP	8.1	8.9	0.8	4/28
SMALL BUSINESS FINAANCE CORP	8.1	8.9	0.8	4/28
HOKKAIDO AN TOHOKU DE- VELOPMENT CORP	8.4	9.2	0.8	4/28

ENVIRONMENT/SANITATION BUSINESS

FINANCE CORP 8.1 8.9 0.8 4/28

CENTRAL BANK FOR COMMERCIAL

AND INDUSTRIAL COOPS:

SHORT-TERM LOANS 7.5 8.375 0.875 4/28

LONG-TERM LOANS (5 YEARS

OR MORE) 8.6 9.4 0.8 4/28

JAPAN EXPORT-IMPORT BANK

(MAXIMUM LIMIT) 9.0 9.0 NO CHANGE

C. OTHER LONG-TERM LENDING RATES:

HOUSING LOANS (CITY BANKS,

11-20 YEARS) 8.4 9.0 0.6 5/9

CONSUME LOANS (CITY BANKS,

2 YEARS) 11.25 12.00 0.75 EXPECTED EARLY
JULY

K(3) SAVING DEPOSIT RATES:

A. BANK DEPOSITS:

ORDINARY DEPOSITS 2.00 2.50 0.5 4/4

DEPOSITS AT NOTICE 2.25 2.75 0.5 4/4

DEPOSITS FOR TAX PAYMENTS 2.75 3.25 0.5 4/4

SPECIAL DEPOSITS 2.00 2.50 0.5 4/4

TIME DEPOSITS:

3 MONTHS 3.75 4.50 0.75 5/6

6 MONTHS 5.00 5.75 0.75 5/6

1 YEAR 5.75 6.75 1.00 5/6

2 YEARS 6.00 7.00 1.00 5/6

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B. POSTAL SAVINGS:

ORDINARY SAVINGS 3.36 3.84 0.48 5/21

INSTALLMENT SAVINGS 4.20 4.56 0.36 5/21

TIME SAVING (1 YEAR) 5.75 6.75 1.00 5/21

SAVINGS CERTIFICATES:

6 MONTHS AND MORE 4.25 5.00 0.75 5/21

1 YEAR AND MORE 4.75 5.50 0.75 5/21

1 YEAR AND HALF AND MORE 5.50 6.25 0.75 5/21

2 YEARS AND MORE 5.75 6.75 1.00 5/21

3 YEARS AND MORE 6.00 7.00 1.00 5/21

(4) BOND YIELDS TO SUBSCRIBERS AND OTHER RATES:

INDUSTRIAL BONDS (AA-RATED,

10 YEARS) 8.090 8.894 0.804 MAY ISSUES

GOVT BONDS (10 YEARS) 7.487 8.227 0.74 MAY ISSUES

GOVT-GUARANTEED BONDS

(10 YEARS) 7.676 8.391 0.715 MAY ISSUES

LOCAL GOVT BONDS 7.889 8.639 0.75 MAY ISSUES

BANK DEBENTURES:

5 YEARS	7.50	8.30	0.8	MAY ISSUES
3 YEARS	7.20	8.062	0.862	MAY ISSUES
1 YEARS	6.382	7.388	1.006	MAY ISSUES

DEPOSITS WITH TRUST COMPANIES

(PROVISIONAL DIVIDEND RATE):

5 YEARS	7.52	8.32	0.8	5/21
2 YEARS	6.20	7.20	1.0	5/21

GOVT SHORT-TERM BILLS

(60 DAYS)	4.914	5.677	0.763	APR 25 ISSUES
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TRUST FUND BUREAU FUNDS ARE LOANED TO GOVT-FAFFILIATED AGENCIES, INCLUDING THE JAPAN DEVELOPMENT BANK AND JAPAN EXPORT-IMPORT BANK; PUBLIC CORPORATIONS SUCH AS THOSE FOR HOUSING AND HIGHWAYS; AND LOCAL GOVERNMENTS. THESE LOANS COME UNDER THE FISCAL LOAN AND INVESTMENT PROGRAM (FLIP) WHICH IS PROJECTED TO TOTAL YEN 13.6 TRILLION, IN JFY 1977. TRUST FUND BUREAU LOANS ARE EXPECTED TO COVER MORE THAN 80 PERCENT OF FLIP OUTLAYS. THE TRUST FUND BUREAU

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OBTAINS ITS FUNDS CHIEFLY FROM POSTAL SAVINGS AND PENSION FUNDS. SHOESMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK DATA, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO08188
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770198-0106
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770691/aaaadbti.tel
Line Count: 141
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8da04685-c288-dd11-92da-001cc4696bcc
Office: ACTION ABF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 20-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2280529
Secure: OPEN
Status: NATIVE
Subject: CHANGES IN JAPANESE INTEREST RATES
TAGS: EFIN, JA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8da04685-c288-dd11-92da-001cc4696bcc
Review Markings:
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